

OFFICIAL GAZETTE



GOVERNMENT OF GOA

NOTE: There is one Extraordinary issue to the Official Gazette, Series I No. 30 dated 22-10-98 namely, Extraordinary dated 27-10-98 from pages 415 to 416 regarding Notification from Department of Urban Development (Directorate of Municipal Administration).

GOVERNMENT OF GOA

Department of Law & Judiciary

Legal Affairs Division

Notification

10/5/96/LA-Vol.I

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Central Act 27 of 1996) which has been passed by Parliament and assented to by the President of India on 19th August, 1996 and published in the Gazette of India Extraordinary, Part II section I, dated 20th August, 1996 is hereby published for the general information of the public.

P. V. Kadneker, Joint Secretary (Law).

Panaji, 26th March, 1997.

THE BUILDING AND OTHER CONSTRUCTION WORKERS (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 1996

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THE BUILDING AND OTHER CONSTRUCTION WORKERS
(REGULATION OF EMPLOYMENT AND CONDITIONS
OF SERVICE) ACT, 1996

AN

ACT

to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures and for other matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Forty-seventh Year of the Republic of India as follows:—

CHAPTER I

Preliminary

1. *Short title, extent, commencement and application.*— This Act may be called the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 1st day of March, 1996.

(4) It applies to every establishment which employs, or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work.

Explanation.— For the purposes of this sub-section, the building workers employed in different relays in a day either by the employer or the contractor shall be taken into account in computing the number of building workers employed in the establishment.

2. *Definitions.*— (1) In this Act, unless the context otherwise requires,—

(a) “appropriate Government” means,—

(i) in relation to an establishment (which employs building workers either directly or through a contractor) in respect of which the appropriate Government under the Industrial Disputes Act, 1947, is the Central Government, 14 of 1947, the Central Government;

(ii) in relation to any such establishment, being a public sector undertaking, as the Central Government may by notification specify which employs building workers either directly or through a contractor, the Central Government;

Explanation.— For the purposes of sub-clause (ii), “public sector undertaking” means any corporation established by or under any Central, State or Provincial Act or a Government Company as defined in section 617 of the Companies Act, 1956 which is owned, controlled or managed by 1 of 1956, the Central Government;

(iii) in relation to any other establishment which employs building workers either directly or through a contractor, the Government of the State in which that other establishment is situate;

(b) “beneficiary” means a building worker registered under section 12;

(c) “Board” means a Building and Other Construction workers’ Welfare Board constituted under sub-section (1) of section 18;

(d) "building or other construction work" means the construction, alteration, repairs, maintenance or demolition, of or, in relation to, buildings, streets, roads, railways, tramways, airfields, irrigation, drainage, embankment and navigation works, flood control works (including storm water drainage works), generation, transmission and distribution of power, water works (including channels for distribution of water), oil and gas installations, electric lines, wireless, radio, television, telephone, telegraph and overseas communications, dams, canals, reservoirs, watercourses, tunnels, bridges, viaducts, aqueducts, pipelines, towers, cooling towers, transmission towers and such other work as may be specified in this behalf by the appropriate Government, by notification but does not include any building or other construction work to which the provisions of the 63 of 1948. Factories Act, 1948, or the Mines Act, 1952, apply. 35 of 1952.

(e) "building worker" means a person who is employed to do any skilled, semi-skilled or unskilled, manual, supervisory, technical or clerical work for hire or reward, whether the terms of employment be expressed or implied, in connection with any building or other construction work but does not include any such person—

(i) who is employed mainly in a managerial or administrative capacity;

or

(ii) who, being employed in a supervisory capacity, draws wages exceeding one thousand six hundred rupees per mensem or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature;

(f) "Chief Inspector" means the Chief Inspector of Inspection of Building and Construction appointed under sub-section (2) of section 42;

(g) "contractor" means a person who undertakes to produce a given result for any establishment, other than a mere supply of goods or articles of manufacture, by the employment of building workers or who supplies building workers for any work of the establishment; and includes a sub-contractor;

(h) "Director-General" means the Director-General of Inspection appointed under sub-section (1) of section 42;

(i) "employer", in relation to an establishment, means the owner thereof, and includes,—

(i) in relation to a building or other construction work carried on by or under the authority of any department of the Government, directly without any contractor, the authority specified in this behalf, or where no authority is specified, the head of the department;

(ii) in relation to a building or other construction work carried on by or on behalf of a local authority or other

establishment, directly without any contractor, the chief executive officer of that authority or establishment;

(iii) in relation to a building or other construction work carried on by or through a contractor, or by the employment of building workers supplied by a contractor, the contractor;

(j) "establishment" means any establishment belonging to, or under the control of, Government, any body corporate or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work; and includes an establishment belonging to a contractor, but does not include an individual who employs such workers in any building or construction work in relation to his own residence the total cost of such construction not being more than rupees ten lakhs;

(k) "Fund" means the Building and Other Construction Workers' Welfare Fund of a Board constituted under sub-section (1) of section 24;

(l) "notification" means a notification published in the Official Gazette;

(m) "Prescribed" means prescribed by rules made under this Act by the Central Government or, as the case may be, the State Government;

(n) "wages" shall have the same meaning as assigned to it in clause (vi) of section 2 of the 4 of 1936. Payment of Wages Act, 1936.

(2) Any reference in this Act to any law which is not in force in any area shall, in relation to that area, be construed as reference to the corresponding law, if any, in force in that area.

CHAPTER II

The Advisory Committees and Expert Committees

3. *Central Advisory Committee.*— (1) The Central Government shall, as soon as may be, constitute a Committee to be called the Central Building and Other Construction Workers' Advisory Committee (hereinafter referred to as the Central Advisory Committee) to advise the Central Government on such matters arising out of the administration of this Act as may be referred to it.

(2) The Central Advisory Committee shall consist of—

(a) a Chairperson to be appointed by the Central Government;

(b) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States — members.

(c) the Director-General — member, *ex officio*;

(d) such number of other members, not exceeding thirteen but not less than nine, as the Central Government may nominate to represent the employers, building workers, associations of architects, engineers, accident insurance institutions and any other interests which, in the opinion of the Central Government, ought to be represented on the Central Advisory Committee.

(3) The number of persons to be appointed as members from each of the categories specified in clause (d) of sub-section (2), the term of office and other conditions of service of, the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among, the members of the Central Advisory Committee shall be such as may be prescribed:

Provided that the members nominated to represent the building workers shall not be less than the number of members nominated to represent the employers.

(4) It is hereby declared that the office of member of the Central Advisory Committee shall not disqualify its holder for being chosen as, or for being, a Member of either House of Parliament.

4. *State Advisory Committee.*— (1) The State Government shall constitute a committee to be called the State Building and Other Construction Workers' Advisory Committee (hereinafter referred to as the State Advisory Committee) to advise the State Government on such matters arising out of the administration of this Act as may be referred to it.

(2) The State Advisory Committee shall consist of—

(a) a Chairperson to be appointed by the State Government;

(b) two members of the State Legislature to be elected from the State Legislature — members;

(c) a member to be nominated by the Central Government;

(d) the Chief Inspector—member, *ex officio*;

(e) such number of other members, not exceeding eleven, but not less than seven, as the State Government may nominate to represent the employers, building workers, associations of architects, engineers, accident insurance institutions and any other interests which, in the opinion of the State Government, ought to be represented on the State Advisory Committee.

(3) The number of persons to be appointed as members from each of the categories specified in clause (e) of sub-section (2), the term of office and other conditions of service of, the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among, the members of State Advisory Committee shall be such as may be prescribed:

Provided that the number of members nominated to represent the building workers shall not be less than the number of members nominated to represent the employers.

5. *Expert Committees.*— (1) The appropriate Government may constitute one or more expert committees consisting of persons specially qualified in building or other construction work for advising that Government for making rules under this Act.

(2) The members of the expert committee shall be paid such fees and allowances for attending the meetings of the committee as may be prescribed:

Provided that no fee or allowances shall be payable to a member who is an officer of Government or of any body corporate established by or under any law for the time being in force.

CHAPTER III

Registration of Establishments

6. *Appointment of registering officers.* — The appropriate Government may, by order notified in the Official Gazette, —

(a) appoint such persons, being Gazetted Officers of Government, as it thinks fit, to be the registering officers for the purposes of this Act; and

(b) define the limits within which a registering officer shall exercise the powers conferred on him by or under this Act.

7. *Registration of establishments.* — (1) Every employer shall, —

(a) in relation to an establishment to which this Act applies on its commencement, within a period of sixty days from such commencement; and

(b) in relation to any other establishment to which this Act may be applicable at any time after such commencement, within a period of sixty days from the date on which this Act becomes applicable to such establishment,

make an application to the registering officer for the registration of such establishment:

Provided that the registering officer may entertain any such application after the expiry of the periods aforesaid, if he is satisfied that the applicant was prevented by sufficient cause from making the application within such period.

(2) Every application under sub-section (1) shall be in such form and shall contain such particulars and shall be accompanied by such fees as may be prescribed.

(3) After the receipt of an application under sub-section (1), the registering officer shall register the establishment and issue a certificate of registration to the employer thereof in such form and within such time and subject to such conditions as may be prescribed.

(4) Where, after the registration of an establishment under this section, any change occurs in the ownership or management or other prescribed particulars in respect of such establishment, the particulars regarding such change shall be inti-

mated by the employer to the registering officer within thirty days of such change in such form as may be prescribed.

8. *Revocation of registration in certain cases.* — If the registering officer is satisfied, either on a reference made to him in this behalf or otherwise, that the registration of any establishment has obtained by misrepresentation or suppression of any material fact or that the provisions of this Act are not being complied with in relation to any work carried on by such establishment, or that for any other reason the registration has become useless or ineffective and, therefore, requires to be revoked, he may, after giving an opportunity to the employer of the establishment to be heard, revoke the registration.

9. *Appeal.*— (1) Any person aggrieved by an order made under section 8 may, within thirty days from the date on which the order is communicated to him, prefer an appeal to the appellate officer who shall be a person nominated in this behalf by the appropriate Government:

Provided that the appellate officer may entertain the appeal after the expiry of the said period of thirty days if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) On receipt of an appeal under sub-section (1), the appellate officer shall, after giving the appellant an opportunity of being heard, confirm, modify or reverse the order of revocation as expeditiously as possible.

10. *Effect of non-registration.*— No employer of an establishment to which this Act applies shall,—

(a) in the case of an establishment required to be registered under section 7, but which has not been registered under that section;

(b) in the case of an establishment the registration in respect of which has been revoked under section 8 and no appeal has been preferred against such order of revocation under section 9 within the period prescribed for the preferring of such appeal or where an appeal has been so preferred, such appeal has been dismissed,

employ building workers in the establishment after the expiry of the period referred to in clause (a) or clause (b) of sub-section (1) of section 7, or after the revocation of registration under section 8 or after the expiry of the period for preferring an appeal under section 9 or after the dismissal of the appeal, as the case may be.

CHAPTER IV

Registration of Building workers as beneficiaries

11. *Beneficiaries of the Fund.* — Subject to the provisions of this Act, every building worker registered as a beneficiary under this Act shall be entitled to the benefits provided by the Board from its Fund under this Act.

12. *Registration of building workers as beneficiaries.*—(1) Every building worker who has completed eighteen years of

age, but has not completed sixty years of age, and who has been engaged in any building or other construction work for not less than ninety days during the preceding twelve months shall be eligible for registration as a beneficiary under this Act.

(2) An application for registration shall be made in such form, as may be prescribed, to the officer authorised by the Board in this behalf.

(3) Every application under sub-section (2) shall be accompanied by such documents together with such fee not exceeding fifty rupees as may be prescribed.

(4) If the officer authorised by the Board under sub-section (2) is satisfied that the applicant has complied with the provisions of this Act and the rules made thereunder, he shall register the name of the building worker as a beneficiary under this Act:

Provided that an application for registration shall not be rejected without giving the applicant an opportunity of being heard.

(5) Any person aggrieved by the decision under sub-section (4) may, within thirty days from the date of such decision, prefer an appeal to the Secretary of the Board or any other officer specified by the Board in this behalf and the decision of the Secretary or such other officer on such appeal shall be final:

Provided that the Secretary or any other officer specified by the Board in this behalf may entertain the appeal after the expiry of the said period of thirty days if he is satisfied that the building worker was prevented by sufficient cause from filing the appeal in time.

(6) The Secretary of the Board shall cause to maintain such registers as may be prescribed.

13. *Identity cards.* — (1) The Board shall give to every beneficiary an identity card with his photograph duly affixed thereon and with enough space for entering the details of the building or other construction work done by him.

(2) Every employer shall enter in the identity card the details of the building or other construction work done by the beneficiary and authenticate the same and return it to the beneficiary.

(3) A beneficiary who has been issued an identity card under this Act shall produce the same whenever demanded by any officer by Government or the Board, any inspector or any other authority for, inspection.

14. *Cessation as a beneficiary.* — (1) A building worker who has been registered as a beneficiary under this Act shall cease to be as such when he attains the age of sixty years or when he is not engaged in building or other construction work for not less than ninety days in a year.

Provided that in computing the period of ninety days under this sub-section, there shall be excluded any period of absence from the building or other construction work due to any personal injury caused to the building worker by accident arising out of and in the course of his employment.

(2) Notwithstanding anything contained in sub-section (1), if a person had been a beneficiary for at least three years continuously immediately before attaining the age of sixty years, he shall be eligible to get such benefits as may be prescribed.

Explanation. — For computing the period of three years as a beneficiary with a Board under this sub-section, there shall be added any period for which a person had been a beneficiary with any other Board immediately before his registration.

15. *Register of beneficiaries.* — Every employer shall maintain a register in such form as may be prescribed showing the details of employment of beneficiaries employed in the building or other construction work undertaken by him and the same be inspected without any prior notice by the Secretary of the Board or any other officer duly authorised by the Board in this behalf.

16. *Contribution of building workers.* — (1) A building worker who has been registered as a beneficiary under this Act shall, until he attains the age of sixty years, contribute to the Fund at such rate per mensem, as may be specified by the State Government, by notification in the Official Gazette and different rates of contribution may be specified for different classes of building workers:

Provided that the Board may, if satisfied that a beneficiary is unable to pay his contribution due to any financial hardship, waive the payment of contribution for a period not exceeding three months at a time.

(2) A beneficiary may authorise his employer to deduct his contribution from his monthly wages and to remit the same, within fifteen days from such deduction, to the Board.

17. *Effect of non payment of contribution.* — When a beneficiary has not paid his contribution under sub-section (1) of section 16 for a continuous period of not less than one year, he shall cease to be a beneficiary:

Provided that if the Secretary of the Board is satisfied that the non-payment of contribution was for a reasonable ground and that the building worker is willing to deposit the arrears, he may allow the building worker to deposit the contribution in arrears and on such deposit being made, the registration of building worker shall stand restored.

CHAPTER V

Building and other Constuction Workers' Welfare Boards

18. *Constitution of State Welfare Boards.* — (1) Every State Government shall, with effect from such date as it may, by notification, appoint, constitute a Board to be known as the ... (name of the State) Building and Other Construction Workers' Welfare Board to exercise the powers conferred on, and perform the functions assigned to, it under this Act.

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal and shall by the said name sue and be sued.

(3) The Board shall consist of a chairperson, a person to be nominated by the Central Government and such number of

other members, not exceeding fifteen, as may be appointed to it by the State Government:

Provided that the Board shall include an equal number of members representing the State Government, the employers and the building workers and that at least one member of the Board shall be a woman.

(4) The terms and conditions of appointment and the salaries and other allowances payable to the chairperson and the other members of the Board, and the manner of filling of casual vacancies of the members of the Board, shall be such as may be prescribed.

19. *Secretary and other officers of Boards.* — (1) The Board shall appoint a Secretary and such other officers and employees as it considers necessary for the efficient discharge of its functions under this Act.

(2) The Secretary of the Board shall be its chief executive officer.

(3) The terms and conditions of appointment and the salary and allowances payable to the Secretary and the other officers and employees of the Board shall be such as may be prescribed.

20. *Meetings of Boards.* — (1) The Board shall meet at such time and place and observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at such meetings) as may be prescribed.

(2) The chairperson or, if for any reason he is unable to attend a meeting of the Board, any member nominated by the chairperson in this behalf and in the absence of such nomination, any other member elected by the members present from amongst themselves at the meeting, shall preside at the meeting.

(3) All questions which come up before any meeting of the Board shall be decided by a majority of votes of the members present and voting, and in the event of equality of votes, the chairperson, or in his absence, the person presiding, shall have a second or a casting vote.

21. *Vacancies, etc. not to invalidate proceedings of the Boards.* — No act or proceedings of a Board shall be invalid merely by reason of—

(a) any vacancy in, or any defect in the constitution of, the Board; or

(b) any defect in the appointment of a person acting as a member of the Board; or

(c) any irregularity in the procedure of the Board not affecting the merits of the case.

22. *Functions of the Boards.* — (1) The Board may—

(a) provide immediate assistance to a beneficiary in case of accident;

(b) make payment of pension to the beneficiaries who have completed the age of sixty years;

(c) sanction loans and advances to a beneficiary for construction of a house not exceeding such amount and on such terms and conditions as may be prescribed;

(d) pay such amount in connection with premia for Group Insurance Scheme of the beneficiaries as it may deem fit;

(e) give such financial assistance for the education of children of the beneficiaries;

(f) meet such medical expenses for treatment of major ailments of a beneficiary or, such dependant, as may be prescribed;

(g) make payment of maternity benefit to the female beneficiaries; and

(h) make provision and improvement of such other welfare measures and facilities as may be prescribed.

(2) The Board may grant loan or subsidy to a local authority or an employer in aid of any scheme approved by the State Government for the purpose connected with the welfare of building workers in any establishment.

(3) The Board may pay annually grants-in-aid to a local authority or to an employer who provides to the satisfaction of the Board welfare measures and facilities of the standard specified by the Board for the benefit of the building workers and the members of their family, so, however, that the amount payable as grants-in-aid to any local authority or employer shall not exceed—

(a) the amount spent in providing welfare measures and facilities as determined by the State Government or any person specified by it in this behalf, or

(b) such amount as may be prescribed,

whichever is less:

Provided that no grant-in-aid shall be payable in respect of any such welfare measures and facilities where the amount spent thereon determined as aforesaid is less than the amount prescribed in this behalf.

23. *Grants and loans by the Central Government.*— The Central Government may, after due appropriation made by Parliament by law in this behalf, make to a Board grants and loans of such sums of money as the Government may consider necessary.

24. *Building and Other Construction Workers' Welfare Fund and its application.*— (1) There shall be constituted by a Board a fund to be called the Building and Other Construction Workers' Welfare Fund and there shall be credited thereto—

(a) any grants and loans made to the Board by the Central Government under section 23;

(b) all contribution made by the beneficiaries;

(c) all sums received by the Board from such other sources as may be decided by the Central Government.

(2) The Fund shall be applied for meeting—

(a) expenses of the Board in the discharge of its functions under section 22; and

(b) salaries, allowances and other remuneration of the members, officers and other employees of the Board;

(c) expenses on objects and for purposes authorised by this Act.

(3) No Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration to its members, officers and other employees and for meeting the other administrative expenses exceeding five per cent. of its total expenses during that financial year.

25. *Budget.*— The Board shall prepare, in such form and at such time each financial year, as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Board and forward the same to the State Government and the Central Government.

26. *Annual report.*— The Board shall prepare, in such form and at such time each financial year as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the State Government and the Central Government.

27. *Accounts and audit.*— (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(2) The Comptroller and Auditor-General of India or any other person appointed by him in connection with the auditing of the accounts of the Board under this Act shall have the same rights and privileges and the authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the auditing of the Government accounts and, in particular shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board under this Act.

(3) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India annually and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General of India.

(4) The Board shall furnish to the State Government before such date as may be prescribed its audited copy of accounts together with the auditor's report.

(5) The State Government shall cause the annual report and auditor's report to be laid, as soon as may be after they are received, before the State Legislature.

CHAPTER VI

House of work, welfare measures and other conditions of service of building workers

28. *Fixing hours for normal working day etc.*— (1) The appropriate Government may, by rules,—

(a) fix the number of hours of work which shall constitute a normal working day for a building worker, inclusive of one or more specified intervals;

(b) provide for a day of rest in every period of seven days which shall be allowed to all building workers and for the payment of remuneration in respect of such days of rest;

(c) provide for payment of work on a day of rest at a rate not less than the overtime rate specified in section 29.

(2) The provisions of sub-section (1) shall, in relation to the following classes of building workers, apply only to such extent, and subject to such conditions, as may be prescribed, namely:—

(a) persons engaged on urgent work, or in any emergency which could not have been foreseen or prevented;

(b) persons engaged in a work in the nature of preparatory or complementary work which must necessarily be carried on outside the normal hours of work laid down in the rules;

(c) persons engaged in any work which for technical reasons has to be completed before the day is over;

(d) persons engaged in a work which could not be carried on except at times dependant on the irregular action of natural forces.

29. *Wages for overtime work.* — (1) Where any building worker is required to work on any day in excess of the number of hours constituting a normal working day, he shall be entitled to wages at the rate of twice his ordinary rate of wages.

(2) For the purposes of this section, “ordinary rates of wages” means the basic wages plus such allowances as the worker is for the time being entitled to but does not include any bonus.

30. *Maintenance of registers and records.*— (1) Every employer shall maintain such registers and records giving such particulars of building workers employed by him, the work performed by them, the number of hours of work which shall constitute a normal working day for them, a day of rest in every period of seven days which shall be allowed to them, the wages paid to them, the receipts given by them and such other particulars in such form as may be prescribed:

(2) Every employer shall keep exhibited, in such manner as may be prescribed in the place where such workers may be employed, notices in the prescribed form containing the prescribed particulars.

(3) The appropriate Government may, by rules, provide for the issue of wage books or wage slips to building workers employed in an establishment and prescribe the manner in which entries shall be made and authenticated in such wage books or wage slips by the employer or his agent.

31. *Prohibition of employment of certain persons in certain building or other construction work.*— No person about whom the employer knows or has reason to believe that he is a deaf or he has a defective vision or he has a tendency to giddiness shall be required or allowed to work in any such operation of building or other construction work which is likely to involve a risk of any accident either to the building worker himself or to any other person.

32. *Drinking water.*— (1) The employer shall make in every place where building or other construction work is in progress, effective arrangements to provide and maintain at suitable points conveniently situated for all persons employed therein, a sufficient supply of wholesome drinking water.

(2) All such points shall be legibly marked “Drinking Water” in a language understood by a majority of the persons employed in such place and no such point shall be situated within six metres of any washing place, urinal or latrine.

33. *Latrines and urinals.*— In every place where building or other construction work is carried on, the employer shall provide sufficient latrine and urinal accommodation of such types as may be prescribed and they shall be so conveniently situated as may be accessible to the building workers at all times while they are in such place:

Provided that it shall not be necessary to provide separate urinals in any place where less than fifty persons are employed or where the latrines are connected to a water-borne sewage system.

34. *Accommodation.*— (1) The employer shall provide, free of charges and within the work site or as near to it as may be possible, temporary living accommodation to all building workers employed by him for such period as the building or other construction work is in progress.

(2) The temporary accommodation provided under sub-section (1) shall have separate cooking place, bathing, washing and lavatory facilities.

(3) As soon as may be, after the building or other construction work is over, the employer shall, at his own cost, cause removal or demolition of the temporary structures erected by him for the purpose of providing living accommodation, cooking place or other facilities to the building workers as required under sub-section (1) and restore the ground in good level and clean condition.

(4) In case an employer is given any land by a Municipal Board or any other local authority for the purposes of providing temporary accommodation for the building workers under this section, he shall, as soon as may be after the construction work is over, return the possession of such land in the same condition in which he received the same.

35. *Creches.*— (1) In every place wherein, more than fifty female building workers are ordinarily employed, there shall be provided and maintained a suitable room or rooms for the use of children under the age of six years of such female workers.

(2) Such rooms shall—

(a) provide adequate accommodation;

(b) be adequately lighted and ventilated;

(c) be maintained in a clean and sanitary condition;

(d) be under the charge of women trained in the care of children and infants.

36. *First-aid.*— Every employer shall provide in all the places where building or other construction work is carried on such first-aid facilities as may be prescribed.

37. *Canteens. etc.*— The appropriate Government may, by rules, require the employer—

(a) to provide and maintain in every place wherein not less than two hundred and fifty building workers are ordinarily employed, a canteen for the use of the workers;

(b) to provide such other welfare measures for the benefit of building workers as may be prescribed.

CHAPTER VII

Safety and Health Measures

38. *Safety Committee and safety officers.* — (1) In every establishment wherein five hundred or more building workers are ordinarily employed, the employer shall constitute a Safety Committee consisting of such number of representatives of the employer and the building workers as may be prescribed by the State Government:

Provided that the number of persons representing the workers, shall, in no case, be less than the persons representing the employer.

(2) In every establishment referred to in sub-section (1), the employer shall also appoint a safety officers who shall possess such qualifications and perform such duties as may be prescribed.

39. *Notice of certain accidents.*— (1) Where in any establishment an accident occurs which causes death or which causes any bodily injury by reason of which the person injured is prevented from working for a period of forty-eight hours or more immediately following the accident, or which is of such a nature as may be prescribed, the employer shall give notice thereof to such authority, in such form and within such time as may be prescribed.

(2) On receipt of a notice under sub-section (1) the authority referred to in that sub-section may make such investigation or inquiry as it considers necessary.

(3) Where a notice given under sub-section (1) relates to an accident causing death of five or more persons, the authority shall make an inquiry into such accident within one month of the receipt of the notice.

40. *Power of appropriate Government to make rules for the safety and health of building workers.*— (1) The appropriate Government may, by notification, make rules regarding the measures to be taken for the safety and health of building workers in the course of their employment and the equipment and appliances necessary to be provided to them for ensuring their safety, health and protection, during such employment.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely;—

(a) the safe means of access to, and the safety of, any working place, including the provision of suitable and sufficient scaffolding at various stages when work cannot be safely done from the ground or from any part of a building or from a ladder or such other means of support;

(b) the precautions to be taken in connection with the demolition of the whole or any substantial part of a building or other structure under the supervision of a competent person and the avoidance of danger from collapse of any building or other structure while removing any part of the framed building or other structure by shoring or otherwise;

(c) the handling or use of explosive under the control of competent persons so that there is no exposure to the risk of injury from explosion or from flying material;

(d) the erection, installation, use and maintenance of transporting equipment, such as locomotives, trucks, wagons and other vehicles and trailers and appointment of competent persons to drive or operate such equipment;

(e) the erection, installation, use and maintenance of hoists, lifting appliances and lifting gear including periodical testing and examination and heart treatment, where necessary, precautions to be taken while raising or lowering loads, restrictions on carriage of persons and appointment of competent persons on hoists or other lifting appliances;

(f) the adequate and suitable lighting of every workplace and approach thereto, of every place where raising or lowering operations with the use of hoists, lifting appliances or lifting gears are in progress and of all openings dangerous to building workers employed;

(g) the precautions to be taken to prevent inhalation of dust, fumes, gases or vapours during any grinding, cleaning, spraying or manipulation of any material and steps to be taken to secure and maintain adequate ventilation of every working place or confined space;

(h) the measures to be taken during stacking or unstacking, stowing or unstowing of materials or goods or handling in connection therewith;

(i) the safeguarding of machinery including the fencing of every fly-wheel and every moving part of a prime mover and every part of transmission or other machinery, unless it is in such a position or of such construction as to be safe to every worker working on any of the operations and as if it were securely fenced;

(j) the safe handling and use of plant, including tools and equipment operated by compressed air;

(k) the precautions to be taken in case of fire;

(l) the limits of weight to be lifted or moved by workers;

(m) the safe transport of workers to or from any workplace by water and provision of means for rescue from drowning;

(n) the steps to be taken to prevent danger to workers from live electric wires or apparatus including electrical machinery and tools and from overhead wires;

(o) the keeping of safety nets, safety sheets and safety belts where the special nature or the circumstances of work render them necessary for the safety of the workers;

(p) the standards to be complied with regard to scaffolding, ladders, and stairs, lifting appliances, ropes, chains and accessories, earth moving equipments and floating operational equipments;

(q) the precautions to be taken with regard to pile driving, concrete work, work with hot asphalt, tar or other similar things, insulation work, demolition operations, excavation, underground construction and handling materials;

(r) the safety policy, that is to say, a policy relating to steps to be taken to ensure the safety and health of the building workers, the administrative arrangements therefor and the matters connected therewith, to be framed by the employers and contractors for the operations to be carried on in a building or other construction work.

(s) the information to be furnished to the Bureau of Indian Standards established under the Bureau of Indian Standards Act, 1986, regarding the use of any article or process covered under that Act in a building or other construction work;

(t) the provision and maintenance of medical facilities for building workers;

(u) any other matter concerning the safety and health of workers working in any of the operations being carried on in a building or other construction work.

41. *Framing of model rules for safety measures.*— The Central Government may, after considering the recommendation of the expert committee constituted under section 5, frame model rules in respect of all or any of the matters specified in section 40 and where any such model rules have been framed in respect of any such matter, the appropriate Government shall, while

making any rules in respect of that matter under section 40, so far as is practicable, conform to such model rules.

CHAPTER VIII

Inspecting staff

42. *Appointment of Director-General, Chief Inspector and Inspectors.*— The Central Government may, by notification, appoint a Gazetted Officer of that Government to be the Director-General of Inspection who shall be responsible for laying down the standards of inspection and shall also exercise the powers of an Inspector throughout India in relation to all the establishments for which the Central Government is the appropriate Government.

(2) The State Government may, by notification, appoint a Gazetted Officer of that Government to be the Chief Inspector of Inspection of Building and Construction who shall be responsible for effectively carrying out the provisions of this Act in the State and shall also exercise the powers of an Inspector under this Act throughout the State in relation to establishments for which the State Government is the appropriate Government.

(3) The appropriate Government may, by notification, appoint such number of its officers as it thinks fit to be Inspectors for the purposes of this Act and may assign to them such local limits as it may think fit.

(4) Every Inspector appointed under this section shall be subject to the control of the Director-General or the Chief Inspector, as the case may be, and shall exercise his powers and perform his functions under this Act subject to general control and supervision of the Director-General or the Chief Inspector.

(5) The Director-General, the Chief Inspector and every Inspector shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

43. *Powers of Inspectors.*— (1) Subject to any rules made in this behalf, an Inspector may, within the local limits for which he is appointed,—

(a) enter, at all reasonable hours, with such assistants (if any) being persons in the service of the Government or any local or other public authority as he thinks fit, any premises or place where building or other construction work is carried on, for the purpose of examining any register or record or notices required to be kept or exhibited by or under this Act, and require the production thereof for inspection;

(b) examine any person whom he finds in any such premises or place and who, he has reasonable cause to believe, is a building worker employed therein;

(c) require any person giving out building or other construction work to any building worker, to give any information, which is in his power to give with respect to the names and addresses of the persons to, for and whom the building or other construction work is given out or

received, and with respect to the payments to be made for the building or other construction work;

(d) seize or take copies of such register, record of wages or notices or portions thereof as he may consider relevant in respect of an offence under this Act which he has reason to believe has been committed by the employer; and

(e) exercise such other powers as may be prescribed.

(2) For the purposes of the section, the Director-General or the Chief Inspector, as the case may be, may employ experts or agencies having such qualifications and experience and on such terms and conditions as may be prescribed.

(3) Any person required to produce any document or to give any information required by an Inspector under sub-section (1) shall be deemed to be legally bound to do so within the meaning of 45 of 1860. section 175 and section 176 of the Indian Penal Code.

(4) The provisions of the Code of Criminal Procedure, 1973, shall, so far as may be, apply to such 2 of 1974. search or seizure under sub-section (1) as they apply to any search or seizure made under the authority of a warrant issued under section 94 of the said Code.

CHAPTER IX

Special Provisions

44. *Responsibility of employers.*— An employer shall be responsible for providing constant and adequate supervision of any building or other construction work in his establishment as to ensure compliance with the provisions of this Act relating to safety and for taking all practical steps necessary to prevent accidents.

45. *Responsibility for payment of wages and compensation.*— (1) An employer shall be responsible for payment of wages to each building worker employed by him and such wages shall be paid on or before such date as may be prescribed.

(2) In case the contractor fails to make payment of compensation in respect of a building worker employed by him, where he is liable to make such payment when due, or makes short payment thereof, then, in the case of death or disablement of the building worker, the employer shall be liable to make payment of that compensation in full or the unpaid balance due in accordance with the provisions of the Workmen's Compensation Act, 1923, and recover 8 of 1923. the amount so paid from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.

46. *Notice of commencement of building or other construction work.*— (1) An employer shall, at least thirty days before the commencement of any building or other construction work, send or cause to be sent to the Inspector having jurisdiction

in the area where the proposed building or other construction work is to be executed, a written notice containing—

(a) the name and situation of the place where the building or other construction work is proposed to be carried on;

(b) the name and address of the person who is undertaking the building or other construction work;

(c) the address to which communications relating to the building or other construction work may be sent;

(d) the nature of the work involved and the facilities, including any plant and machinery, provided;

(e) the arrangements for the storage of explosives, if any, to be used in the building or other construction work;

(f) the number of workers likely to be employed during the various stages of building or other construction work;

(g) the name and designation of the person who will be in overall charge of the building or other construction work at the site;

(h) the approximate duration of the work;

(i) such other matters as may be prescribed.

(2) Where any change occurs in any of the particulars furnished under sub-section (1), the employer shall intimate the change to the Inspector within two days of such change.

(3) Nothing contained in sub-section (1) shall apply in case of such class of building or other construction work as the appropriate Government may by notification specify to be emergent works.

CHAPTER X

Penalties and Procedure

47. *Penalty for contravention of provisions regarding safety measures.*— (1) Whoever contravenes the provisions of any rules made under section 40 shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to two thousand rupees, or with both, and in the case of a continuing contravention, with an additional fine which may extend to one hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

(2) If any person who has been convicted of any offence punishable under sub-section (1) is again guilty of an offence involving a contravention or failure of compliance of the same provision, he shall be punishable on a subsequent conviction with imprisonment for a term which may extend to six months or with fine which shall not be less than five hundred rupees but which may extend to two thousand rupees or with both:

Provided that for the purposes of this sub-section, no cognizance shall be taken of any conviction made more than two

years before the commission of the offence for which the person is subsequently being convicted:

Provided further that the authority imposing the penalty, if it is satisfied that there are exceptional circumstances warranting such a course may, after recording its reasons in writing, impose a fine of less than five hundred rupees.

48. *Penalty for failure to give notice of the commencement of the building or other construction work.*— Where an employer fails to give notice of the commencement of the building or other construction work under section 46, he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to two thousand rupees, or with both.

49. *Penalty for obstructions.*— (1) Whoever obstructs an Inspector in the discharge of his duties under this Act or defuses or wilfully neglects to afford the Inspector any reasonable facility for making any inspection, examination, inquiry or investigation authorised by or under this Act in relation to an establishment shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

(2) Whoever wilfully refuses to produce on the demand of an Inspector any register or other document kept in pursuance of this Act or prevents or attempts to prevent or does anything which he has reason to believe is likely to prevent any person from appearing before, or being examined by, an Inspector acting in pursuance of his duties under this Act shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

50. *Penalty for other offences.*— (1) Whoever contravenes any other provision of this Act or any rules made thereunder or who fails to comply with any provision of this Act or any rules made thereunder shall, where no express penalty is elsewhere provided for such contravention or failure, be punishable with fine which may extend to one thousand rupees for every such contravention or failure, as the case may be, and in the case of a continuing contravention or failure, as the case may be, with an additional fine which may extend to one hundred rupees for every day during which such contravention or failure continues after the conviction for the first such contravention or failure.

(2) A penalty under sub-section (1) may be imposed—

(a) by the Director-General where the contravention or failure relates to a matter to which the appropriate Government is the Central Government; and

(b) by the Chief Inspector where the contravention or failure relates to a matter to which the appropriate Government is the State Government.

(3) No penalty shall be imposed unless the person concerned is given a notice in writing—

(a) informing him of the grounds on which it is proposed to impose a penalty; and

(b) giving him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the imposition of penalty mentioned therein, and, if he so desires, of being heard in the matter.

(4) Without prejudice to any other provision contained in this Act, the Director-General and the Chief Inspector shall have all the powers of a civil court under the Code of Civil Procedure, 1908, while exercising any powers under this section, in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of witnesses;

(b) requiring the discovery and production of any document;

(c) requisitioning any public record or copy thereof from any court or office;

(d) receiving evidence on affidavits; and

(e) issuing commissions for the examination of witnesses or documents.

(5) Nothing contained in this section shall be construed to prevent the person concerned from being prosecuted under any other provision of this Act or any other law for any offence made punishable by this Act or by that other law, as the case may be, or being liable under this Act or any such law to any other or higher penalty or punishment than is provided for such offence by this section:

Provided that no person shall be punished twice for the same offence.

51. *Appeal.*— Any person aggrieved by the imposition of any penalty under section 50 may prefer an appeal—

(a) where the penalty has been imposed by the Director-General, to the Central Government;

(b) where the penalty has been imposed by the Chief Inspector, to the State Government,

within a period of three months from the date of communication to such person of the imposition of such penalty:

Provided that the Central Government or the State Government, as the case may be, may, if it is satisfied that the appellant was prevented by sufficient cause from preferring an appeal within the aforesaid period of three months, allow such appeal to be preferred within a further period of three months.

(2) The appellate authority may, after giving the appellant an opportunity of being heard, if he so desires, and after making such further inquiry, if any, as it may consider necessary, pass such order as it thinks fit confirming, modifying or reversing the order appealed against or may send back the case with such directions as it may think fit for a fresh decision.

52. *Recovery of penalty.*— Where any penalty imposed on any person under section 50 is not paid,—

(i) the Director-General or, as the case may be, the Chief Inspector may deduct the amount so payable from any money owing to such person which may be under his control; or

(ii) the Director-General or, as the case may be, the Chief Inspector may recover the amount so payable by detaining or selling the goods belonging to such person which are under his control; or

(iii) if the amount cannot be recovered from such person in the manner provided in clause (i) or clause (ii), the Director-General or, as the case may be, the Chief Inspector may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the District in which such person owns any property or resides or carries on his business and the said Collector, on receipt of such certificate shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue.

53. *Offences by companies.*— (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence,

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.— For the purposes of this section,—

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

54. *Cognizance of offences.*— (1) No court shall take cognizance of any offence punishable under this Act except on a complaint—

(a) made by, or with the previous sanction in writing of, the Director-General or the Chief Inspector; or

(b) made by an office-bearer of a voluntary organisation registered under the Societies Registration Act, 1860; or

21 of 1860.

(c) made by an office-bearer of any concerned trade union registered under the Trade Unions Act, 1926.

16 of 1926.

(2) No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence punishable under this Act.

55. *Limitation of prosecutions.*— No court shall take cognizance of an offence punishable under this Act unless the complaint thereof is made within three months from the date on which the alleged commission of the offence came to the knowledge of the Director-General, the Chief Inspector, an office-bearer of a voluntary organisation or, as the case may be, an office-bearer of any concerned trade union.

CHAPTER XI

Miscellaneous

56. *Delegation of powers.*— A Board may, by general or special order, delegate to the Chairperson or any other member or to the Secretary or any other officer or employee of the Board, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and duties under this Act as it may deem necessary.

57. *Returns.*— Every Board shall furnish from time to time to the Central Government and to the State Government such returns as they may require.

58. *Application of Act 8 of 1923 to building workers.*— The provisions of the Workmen's Compensation Act, 1923, shall so far as may be, apply to building workers as if the employment to which this Act applies had been included in the Second Schedule to that Act.

59. *Protection of action taken in good faith.*— (1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

(2) No prosecution or other legal proceeding shall lie against the Government, any Board or Committees constituted under this Act or any members of such Board or any officer or employee of the Government or the Board or any other person authorised by the Government or any Board or Committee, for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made or issued thereunder.

60. *Power of Central Government to give directions.*— The Central Government may give directions to the Government of any State or to a Board as to the carrying into execution in that State of any of the provisions of this Act.

61. *Power to remove difficulties.*— (1) If any difficulty arises in giving effect to the provisions of this Act, the Central

Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of two years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

62. *Power to make rules.*— (1) The appropriate Government may, after consultation with the expert committee, by notification, make rules for carrying out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the number of persons to be appointed as members representing various interests on the Central Advisory Committee and the State Advisory Committees, the term of their office and other conditions of service, the procedure to be followed in the discharge of their functions and the manner of filling vacancies under sub-section (3) of section 3 or, as the case may be, under sub-section (3) of section 4;

(b) the fees and allowances that may be paid to the members of the expert committee for attending its meetings under sub-section (2) of section 5;

(c) the form of application for the registration of an establishment, the levy of fees therefor and the particulars it may contain under sub-section (2) of section 7;

(d) the form of certificate of registration, the time within which and the conditions subject to which such certificate may be issued under sub-section (3) of section 7;

(e) the form in which the change in ownership or management or other particulars shall be intimated to the registering officer under sub-section (4) of section 7;

(f) the form in which an application for registration as a beneficiary shall be made under sub-section (2) of section 12;

(g) the document and the fee which shall accompany the application under sub-section (3) of section 12;

(h) the registers which the Secretary of the Board shall cause to be maintained under sub-section (6) of section 12;

(i) the benefits which may be given under sub-section (2) of section 14;

(j) the form in which register of beneficiaries shall be maintained under section 15;

(k) the terms and conditions of appointment, the salaries and other allowances payable to, and the manner of filling of casual vacancies of, the Chairperson and other members of the Board under sub-section (4) of section 18;

(l) the terms and conditions of service and the salaries and allowances payable to the Secretary and the other officers and employees of the Board under sub-section (3) of section 19;

(m) the time and place of the meeting of the Board and the rules of procedure to be followed at such meeting under sub-section (1) of section 20 including quorum necessary for the transaction of business;

(n) the amount payable as house building loans or advances, the terms and conditions of such payment under clause (c), educational assistance under clause (e), medical expenses payable and the persons who shall be the dependent of the beneficiaries under clause (f), and the other welfare measures for which provision may be made under clause (h), of sub-section (1) of section 22;

(o) the limits of grants-in-aid payable to the local authorities and employers under clause (b) of sub-section (3) of section 22;

(p) the form in which and the time within which the budget of the Board shall be prepared and forwarded to Government under section 25;

(q) the form in which and the time within which the annual report of the Board shall be submitted to the State Government and the Central Government under section 26;

(r) the form of annual statement of accounts under sub-section (1), and the date before which the audited copy of the accounts together with the auditor's report shall be furnished under sub-section (4), of section 27;

(s) the matters required to be provided under sub-section (1) of section 28 and the extent up to which, and the conditions subject to which, the provisions of that sub-section shall apply to the building workers under sub-section (2) of that section;

(t) the registers and records that shall be maintained by the employer and the form in which such registers and records shall be maintained and the particulars to be included therein under sub-section (1) of section 30;

(u) the form and manner in which a notice shall be exhibited and the particulars it may contain under sub-section (2) of section 30;

(v) the issue of wage books or wage slips to building workers and the manner in which entries are to be made and authenticated in wage books or wage slip under sub-section (3) of section 30;

(w) the types of latrines and urinals required to be provided under section 33;

(x) the first-aid facilities which are to be provided under section 36;

(y) the canteen facilities which are to be provided under clause (a) of section 37;

(z) the welfare measures which are to be provided under clause (b) of section 37;

(za) the number of representatives of the employer and the building workers under sub-section (1) of section 38 and the qualifications of safety officers and the duties to be performed by them under sub-section (2) of that section;

(zb) the form of a notice of accident; other matters to be provided in this behalf and the time within which such notice shall be given under sub-section (1) of section 39;

(zc) the rules to be made for the safety and health of building workers under section 40;

(zd) the powers that may be exercised by an Inspector under clause (e) of sub-section (1) of section 43 and the qualifications and experience which the experts or agencies employed under sub-section (2) of that section shall possess and the terms and conditions on which such experts or agencies may be employed;

(ze) the date on or before which wages shall be paid to a building worker under section 45;

(zf) the matters which are required to be prescribed under clause (i) of sub-section (1) of section 46;

(zg) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

(4) Every rule made by the State Government under this Act shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or, where such Legislature consists of one House, before that House.

63. *Saving of certain laws.*— Nothing contained in this Act shall affect the operation of any corresponding law in a State providing welfare schemes which are more beneficial to the building and other construction workers than those provided for them by or under this Act.

64. *Repeal and saving.*— (1) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Third Ordinance, Ord. 1996, is hereby repealed. 25 of 1996.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

Notification

10-4-98/LA

The Electricity Regulatory Commissions Ordinance, 1998 (Ordinance No. 14 of 1998) which has been promulgated by the President of India and published in the Gazette of India, Extraordinary Part II, Section I, dated 25th April, 1998 is hereby published for the general information of the public.

P. V. Kadneker, Joint Secretary (Law).

Panaji, 21st May, 1998.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 25rd April, 1998/Vaisakha 5, 1920 (Saka)

THE ELECTRICITY REGULATORY COMMISSIONS ORDINANCE, 1998

No. 14 of 1998

Promulgated by the President in the Forty-ninth Year of the Republic of India.

An Ordinance to provide for the establishment of a Central Electricity Regulatory Commission and State Electricity Regulatory Commissions, rationalization of electricity tariff, transparent policies regarding subsidies, promotion of efficient and environmentally benign policies and matters connected therewith or incidental thereto.

Whereas Parliament is not in session and the President is satisfied that the circumstances exist which render it necessary for him to take immediate action;

Now, Therefore, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

CHAPTER I

Preliminary

1. *Short title, extent and commencement.*— (1) This Ordinance may be called the Electricity Regulatory Commissions Ordinance, 1998.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force at once.

2. *Definitions.*— In this Ordinance, unless the context otherwise requires,—

(a) “Central Commission” means the Central Electricity Regulatory Commission established under sub-section (1) of section 3;

(b) "Chairperson" means the Chairperson of the Commission;

(c) "Commission" means, the Central Commission or the State Commission, as the case may be;

(d) High Court means,—

(i) the High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and

(ii) where Central Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where are more than one respondent ordinarily resides or carries on business or personally works for gain.

(e) "Member" means the Member of the Commission and includes the Chairperson but does not include a Member ex-officio;

(f) "prescribed" means prescribed by rules made under this Ordinance;

(g) "regulations" means regulations made under this Ordinance;

(h) "State Commission" means the State Electricity Regulatory Commission established under sub-section (1) of section 17;

(i) "transmission utility" means any generating company, board, licensee or other person engaged in the transmission of energy;

(j) "utility" means any person or entity engaged in the generation, transmission, sale, distribution or supply, as the case may be, of energy;

(k) words and expressions used and not defined in this Ordinance but defined in the Electricity (Supply) Act, 1948 or the Indian Electricity Act, 1910 shall have the meanings respectively assigned to them in those Acts.

CHAPTER II

Central Electricity Regulatory Commission

3. Establishment and incorporation of Central Commission.—

(1) The Central Government, shall, within three months from the date of the commencement of this Ordinance by notification in the Official Gazette, establish a body to be known as the Central Electricity Regulatory Commission to exercise the powers conferred on and the functions assigned to it under this Ordinance.

(2) The Central Commission shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.

(3) The head office of the Central Commission shall be at such place as the Central Government may, by notification in the Official Gazette, specify.

(4) The Central Commission shall consist of the following Members, namely:—

(a) a Chairperson and three other Members;

(b) the Chairman of the Central Electricity Authority appointed under sub-section (3) of section 3 of the Electricity Supply Act, 1948, who shall be Member ex-officio.

(5) The Chairperson and the other Members of the Central Commission shall be appointed by the Central Government on the recommendation of the Selection Committee referred to in section 5:

Provided that nothing contained in this sub-section shall apply to the appointment of a person as the Chairperson, where such person is or has been a Judge of the Supreme Court or the Chief Justice of a High Court.

4. *Qualification for appointment of Chairperson and other Members of the Central Commission.*— (1) The Chairperson and the Members of the Central Commission shall be persons having adequate knowledge, experience or shown capacity in dealing with problems relating to engineering, law, economics, commerce, finance, or management and shall be appointed in the following manner, namely:—

(a) one person having qualification and experience in the field of engineering with specialisation in generation, transmission or distribution of electricity;

(b) one person having qualification and experience in the field of finance; and

(c) two persons having qualification and experience in the field of economics, commerce, law or management:

Provided that not more than one Member shall be appointed under the same category under clause (c).

(2) Notwithstanding anything contained in sub-section (1), the Central Government may appoint any person as the Chairperson from amongst persons who is or has been Judge of the Supreme Court or the Chief Justice of a High Court:

Provided that no appointment under this sub-section shall be made except after consultation with the Chief Justice of India.

(3) The Chairperson or any other Member of the Central Commission shall not hold any other office.

(4) The Chairperson shall be the Chief Executive of the Central Commission.

5. *Constitution of the Selection Committee to recommend Members.*— (1) The Central Government shall, for the purpose of sub-section (5) of section 3, constitute a Selection Committee consisting of —

(a) Member of the Planning Commission in charge of the energy sector —Chairperson;

(b) Secretary-in-charge of the Ministry of the Central Government dealing with the Department of Legal Affairs —Member;

(c) Chairman of the Public Enterprises Selection Board —Member;

(d) a person to be nominated by the Central Government in accordance with sub-section (2) —Member;

(e) a person to be nominated by the Central Government in accordance with sub-section (3) —Member;

(f) Secretary-in-charge of the Ministry of the Central Government dealing with Power; —Convenor;

(2) For the purposes of clause (d) of sub-section (1), the Central Government shall nominate from amongst persons holding the post of Chairman or Managing Director by whatever name called of any public financial institution specified in section 4A of the Companies Act, 1956. 1 of 1956.

(3) For the purposes of clause (e) of sub-section (1), the Central Government shall nominate from amongst persons holding the post of Director or the head of the institution, by whatever name called of any research, technical or management institution notified by the Central Government in the Official Gazette for this purpose.

(4) The Central Government shall within one month from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or a Member and six months before the superannuation or end of tenure of any Chairperson or Member, make a reference to the Selection Committee for filling up of the vacancy.

(5) The Selection Committee shall finalise the selection of the Chairperson and Members within one month from the date on which the reference is made to it.

(6) The Selection Committee shall recommend a panel of two names for every vacancy referred to it.

(7) Before recommending any person for appointment as a Chairperson or other Member of the Central Commission, the Selection Committee shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as a Member.

(8) No appointment of the Chairperson or other Member shall be invalid merely by reason of any vacancy in the Selection Committee.

6. *Term of office, salary and allowances and other conditions of service, of Chairperson and Members.*— (1) The Chairperson or other Member shall hold office as such for a term of five years from the date on which he enters upon his office, but shall not be eligible for re-appointment:

Provided that no Chairperson or other Member shall hold office as such after he has attained,—

(a) in the case of the Chairperson, the age of sixty-five years, and

(b) in the case of any other Member, the age of sixty-two years.

(2) The salary and allowances payable to and the other terms and conditions of service of the Chairperson and other Members shall be such as may be prescribed.

(3) The salary, allowances and other conditions of service of the Chairperson and the Members shall not be varied to their disadvantage after appointment.

(4) The Chairperson and every Member shall before entering upon his office, make and subscribe to, an oath of office and of secrecy in such form and in such manner and before such authority as may be prescribed.

(5) Notwithstanding anything contained in sub-section (1), Chairperson or any Member may—

(a) relinquish his office by giving in writing to the President notice of not less than three months; or

(b) be removed from his office in accordance with the provisions of section 7.

(6) The Chairperson or any Member ceasing to hold office as such shall—

(a) be ineligible for further employment under the Central Government or any State Government for a period of two years from the date he ceased to hold such office;

(b) not accept any commercial employment for a period of two years from the date he ceased to hold such office;

(c) not represent any person before the Central Commission or a State Commission in any manner.

Explanation.— For the purposes of this sub-section,—

(i) employment under the Central Government or under the State Government includes employment under any local or other authority within the territory of India or under the control of the Central Government or State Government or under any corporation or society owned or controlled by the Government.

(ii) “commercial employment” means employment in any capacity under, or agency of, a person engaged in trading commercial, industrial or financial business in the electricity industry and includes also a director of a company or partner of a firm and it also includes setting up practice either independently or as partner of a firm or as an adviser or a consultant.

7. *Removal of Members.*— (1) Subject to the provisions of sub-section (3), any Member of the Central Commission shall only be removed from his office by order of the President on the ground of proved misbehaviour after the Supreme Court, on reference being made to it by the President, has, on inquiry held in accordance with the procedure prescribed in that behalf by the Supreme Court, reported that the Member, ought on any such ground to be removed.

(2) The President may suspend any Member of the Central Commission in respect of whom a reference has been made to the Supreme Court under sub-section (1) until the President has passed orders on receipt of the report of the Supreme Court.

(3) Notwithstanding anything in sub-section (1), the President may by order remove from office the Chairperson or any other Member if the Chairperson or such other Member, as the case may be,—

(a) has been adjudged an insolvent; or

(b) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or

(c) has become physically or mentally incapable of acting as a member; or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member; or

(e) has so abused his position as to render his continuance in office prejudicial to the public interest.

(4) Notwithstanding anything contained in sub-section (3), no Member shall be removed from his office on the ground specified in clause (d) or clause (e) of that sub-section unless the Supreme Court, on a reference being made to it in this behalf by the President, has, on an enquiry, held by it in accordance with such procedure as prescribed in this behalf by the Supreme Court, reported that the member ought on such ground or grounds to be removed.

8. *Officers of the Central Commission and other staff.*— (1) The Central Commission may appoint a Secretary to exercise and perform under the control of the Chairperson such duties and powers as may be specified by regulations made by the Central Commission.

(2) The Central Commission may, with the approval of the Central Government, determine the number, nature and categories of other officers and employees required to assist the Central Commission in the discharge of its functions.

(3) The salaries and allowances payable to and other conditions of service of the Secretary, officers and other employees shall be such as may be determined with the approval of the Central Government by regulations.

(4) The Central Commission may appoint consultants required to assist the Central Commission in the discharge of its functions on terms and conditions as may be determined by regulations made by the Central Commission.

9. *Proceedings of the Central Commission.*— (1) The Central Commission shall meet at the head office or any of its offices at such times as the Chairperson may direct, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings) as may be determined by regulations.

(2) The Chairperson or, if he is unable to attend a meeting of the Central Commission, any other Member nominated by the Chairperson in this behalf and, in the absence of such nomination or where there is no Chairperson, any Member chosen by the Members present from among themselves, shall preside at the meeting.

(3) All questions which come up before any meeting of the Central Commission shall be decided by a majority of votes of the Members (including the Member ex-officio) present and voting, and in the event of an equality of votes, the Chairperson or the person presiding shall have the right to exercise a second or casting vote.

(4) Save as otherwise provided in sub-section (3), every Member of the Board shall have one vote.

(5) All orders and decisions of the Central Commission shall be authenticated by the Secretary or any other officer of the Central Commission duly authorised by the Chairperson in this behalf.

10. *Vacancies, etc., not to invalidate the proceedings of the Central Commission.*— No act or proceedings of the Central Commission shall be questioned or shall be invalidated merely on the ground of existence of any vacancy or defect in the constitution of the Central Commission.

11. *Expenses of Central Commission to be charged on Consolidated Fund of India.*— The expenses of the Central Commission including all salaries and allowances payable to or in respect of the Chairperson and the Members of the Central Commission shall be charged upon the Consolidated Fund of India.

12. *Powers of the Central Commission.*— The Central Commission shall, for the purposes of any inquiry or proceedings under this Ordinance have the powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 in respect of the following matters, namely,—

(a) the summoning and enforcing of attendance of any witness and examining on oath;

(b) the discovery and production of any document or other material object producible as evidence;

(c) the reception of evidence on affidavits;

(d) the requisition of any public record;

(e) the issue of commission for examination of witnesses;

(f) any other matter which may be prescribed.

CHAPTER III

Powers and Functions of the Central Commission

13. *Functions of the Central Commission.*— The Central Commission shall discharge all or any of the following functions, namely:—

(a) to regulate the tariff of generating companies owned or controlled by the Central Government;

(b) to regulate the tariff of generating companies, other than those owned or controlled by the Central Government specified in clause (a), if such generating companies enter into or otherwise have a composite scheme for generation and sale of electricity in more than one State;

(c) to regulate,—

(i) the inter-state transmission of energy including tariff of the transmission utilities;

(ii) conveyance of energy by means of a main transmission line from the territory of one State to the territory of another State;

(iii) conveyance of energy across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of energy;

(iv) the transmission of energy within the territory on a system built, owned, operated, maintained or controlled by a central transmission utility or by any person under the supervision and control of a central transmission utility.

(d) to promote competition, efficiency and economy in the activities of the electricity industry;

(e) to aid and advise the Central Government in the formulation of tariff policy which shall be—

(i) fair to the consumers;

(ii) facilitate mobilisation of adequate resources for the power sector;

(f) to associate with the environmental regulatory agencies to develop appropriate policies and procedures for environmental regulation of the power sector;

(g) to frame guidelines in matters relating to electricity tariff;

(h) to arbitrate or adjudicate upon disputes involving generating companies or transmission utilities in regard to matters connected with clause (a) to (c) above;

(i) to aid and advise the Central Government on any other matter referred to the Central Commission by that Government.

14. *The Central Advisory Committee.*—(1) The Central Commission may, by notification, establish with effect from such date as it may specify in such notification, a Committee to be known as the Central Advisory Committee.

(2) The Central Advisory Committee shall consist of not more than thirty-one members to represent the interests of commerce, industry, transport, agriculture, labour, consumers, non-governmental organisations and academic and research bodies in the energy sector.

(3) The Chairperson and Members of the Central Commission shall be ex-officio Chairperson and ex-officio Members of the Central Advisory Committee.

15. *Object of the Central Advisory Committee.*— The objects of the Central Advisory Committee shall be to advise the Central Commission on,—

(i) major questions of policy;

(ii) matters relating to quality, continuity and extent of service provided by the licencees;

(iii) compliance by licencees with the condition and requirements of their license;

(iv) protection of consumer interest; and

(v) energy supply and overall standards of performance by utilities.

16. *Appeal to High Court in certain cases.*— (1) Any person aggrieved by any decision or order of the Central Commission may file an appeal to the High Court.

(2) Except as aforesaid, no appeal or revision shall lie to any court from any decision or order of the Central Commission.

(3) Every appeal under this section shall be preferred within sixty days from the date of communication of the decision or order of the Central Commission to the person aggrieved by the said decision or order:

Provided that the High Court may entertain an appeal after the expiry of the said period of sixty days if it is satisfied that the aggrieved person had sufficient cause for not preferring the appeal within the said period of sixty days.

CHAPTER IV

State Electricity Regulatory Commission

17. *Establishment and incorporation of State Commission.*— (1) The State Government shall within three months from the commencement of this Ordinance, by notification in the Official Gazette, establish, for the purposes of this Ordinance, a _____ (name of the State) Electricity Regulatory Commission.

(2) The State Commission shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.

(3) The head office of the State Commission shall be at such place as the State Government may, by notification in the Official Gazette, specify.

(4) The State Commission shall consist of not more than three Members including the Chairperson.

(5) The Chairperson and the Members of the State Commission shall be persons of ability, integrity and standing who have adequate knowledge of, and have shown capacity in dealing with problems relating to, engineering, finance, commerce, economics, law or management.

(6) The Chairperson and the Members of the State Commission shall be appointed by the State Government on the recommendation of a Selection Committee referred to in section 18.

(7) Notwithstanding anything contained in sub-section (5) or sub-section (6), the State Government may appoint any person as the Chairperson from amongst person who is or has been a Judge of a High Court:

Provided that no appointment under this clause shall be made except after consultation with the Chief Justice of that High Court.

(8) The Chairperson shall be the chief executive of the State Commission.

18. *Constitution of Selection Committee by the State Government.*— (1) The State Government shall, for the purpose of selecting the Members of the State Electricity Commission, constitute a Selection Committee consisting of, —

- | | |
|---|---------------|
| (a) a person who has been a Judge of the High Court; | —Chairperson; |
| (b) Chief Secretary of the concerned State; | —Member; |
| (c) Chairperson or a member of the Central Electricity Regulatory Authority | —Member: |

Provided that nothing contained in this sub-section shall apply to the appointment of a person as the Chairperson who is or has been a Judge of the High Court.

(2) No appointment of a Member shall be invalid merely by reason of any vacancy in the Selection Committee.

(3) The State Government shall within one month from the date of occurrence of any vacancy by reason of death, resignation or removal and six months before the superannuation or end of tenure of any Chairperson or a Member, make a reference to the Selection Committee for filling up of the vacancy.

(4) The Selection Committee shall finalise the selection of the Members within one month from the date on which the reference is made to it.

(5) The Selection Committee shall recommend a panel of two names for every vacancy referred to it.

(6) Before recommending any person for appointment as a Member, the Selection Committee shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as a Member.

19. *Term of office, salary and allowances and other conditions of service of Chairperson and Members.*— (1) The Chairperson or other Member shall hold office as such for a term of

five years from the date on which he enters upon his office, but shall not be eligible for re-appointment:

Provided that no Chairperson or other Member shall hold office as such after he has attained,—

(a) in the case of the Chairperson, the age of sixty-five years, and

(b) in the case of any other Member, the age of sixty-two years.

(2) The salary and allowances payable to and the other terms and conditions of service of the Members of the State Commission shall be such as may be prescribed by the State Government.

(3) The salary, allowances and other conditions of service of the Members shall not be varied to their disadvantage after appointment.

(4) Every Member of the State Commission shall, before entering upon his office, make and subscribe to, an oath of office and of secrecy in such form and in such manner and before such authority as may be prescribed.

(5) Notwithstanding anything contained in sub-section (1) or sub-section (2), a Member may—

(a) relinquish his office by giving in writing to the Governor notice of not less than three months; or

(b) be removed from his office in accordance with the provisions of section 49.

(6) Any Member ceasing to hold office as such shall—

(a) be ineligible for further employment under the Central Government or any State Government for a period of two years from the date he ceased to hold such office;

(b) not accept any commercial employment for a period of two years from the date he ceased to hold such office;

(c) not represent any person before the Central Commission or State Commission in any manner.

Explanation.— For the purposes of this sub-section,—

(i) employment under the Central Government or under the State Government includes employment under any local or other authority within the territory of India or under the control of the Central Government or a State Government or under any corporation or society owned or controlled by the Government.

(ii) “commercial employment” means employment in any capacity under, or agency of, a person engaged in trading, commercial, industrial or financial business in the electricity industry and includes also a director of a company or partner of a firm and it also includes setting up practice either independently or as partner of a firm or as an adviser or a consultant.

20. *Removal of Members.*— (1) Subject to the provisions of sub-section (3), any Member of the State Commission shall only, be removed from his office by order of the Governor on the ground of proved misbehaviour after the High Court, on reference being made to it by the Governor, has, on inquiry held in accordance with the procedure prescribed in that behalf by the High Court, reported that the Member, ought on any such ground to be removed.

(2) The Governor may suspend any Member of the State Commission in respect of whom a reference has been made to the High Court under sub-section (1) until the Governor has passed orders on the receipt of the report of the High Court on such reference.

(3) Notwithstanding anything in sub-section (1), the Governor may by order remove from office the Member if he—

(a) has been adjudged an insolvent; or

(b) has been convicted of an offence which, in the opinion of the State Government, involves moral turpitude; or

(c) has become physically or mentally incapable of acting as a Member; or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member; or

(e) has so abused his position as to render his continuance in office prejudicial to the public interest.

(4) Notwithstanding anything contained in sub-section (3), no Member shall be removed from his office on the ground specified in clause (d) or clause (e) of that sub-section unless the High Court on a reference being made to it in this behalf by the Governor, has, on an enquiry, held by it in accordance with such procedure as prescribed in this behalf by the High Court, reported that the Member ought on such ground or grounds to be removed.

21. *Officers of the State Commission and other staff.*— (1) The State Commission may appoint a Secretary to exercise and perform under the control of the Chairperson such duties and powers as may be specified by regulations made by the State Commission.

(2) The State Commission may, with the approval of the State Government, determine the number, nature and categories of other officers and employees required to assist the State Commission in the discharge of its functions.

(3) The salaries and allowances payable to and other conditions of service of the Secretary, officers and other employees shall be such as may be determined by regulation with the approval of the State Government.

(4) The State Commission may appoint consultants required to assist the State Commission in the discharge of its functions on terms and conditions as may be determined by regulations by the State Commission.

CHAPTER V

Powers and Functions of the State Commission

22. *Functions of the State Commission.*— (1) Subject to the provisions of Chapter III, the State Commission shall discharge the following functions, namely:—

(a) to determine the tariff for electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in section 29;

(b) to determine the tariff payable for use of the transmission facilities in the manner provided in section 29;

(c) to regulate power purchase and procurement process of the transmission utilities and distribution utilities including the price at which the power shall be procured from the generating companies, generating stations or from other sources for transmission, sale, distribution and supply in the State;

(d) to promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of this Ordinance.

(2) Subject to the provisions of Chapter III and without prejudice to the provisions of sub-section (1), the State Government, may by notification in the Official Gazette confer any of the following functions upon the State Commission, namely:—

(a) to regulate the investment approval for generation, transmission, distribution and supply of power to the entities operating within the State;

(b) to aid and advise the State Government, in matters concerning electricity generation, transmission, distribution and supply in the State;

(c) to regulate the operation of the power system within the State;

(d) to issue licences for transmission, bulk supply, distribution or supply of electricity and determine the conditions to be included in the licences;

(e) to regulate the working of the licensees and other persons authorised or permitted to engage in the electricity industry in the State and to promote their working in an efficient, economical and equitable manner;

(f) to require licensees to formulate perspective plans and schemes in co-ordination with others for the promotion of generation, transmission, distribution, supply and utilisation of electricity, quality of service and to devise proper power purchase and procurement process;

(g) to set standards for the electricity industry in the State including standards relating to quality, continuity and reliability of service;

(h) to promote competitiveness and make avenues for participation of private sector in the electricity industry in the State, and also to ensure a fair deal to the customers;

(i) to lay down and enforce safety standards;

(j) to aid and advise the State Government in the formulation of the State power policy;

(k) to collect and record information concerning the generation, transmission, distribution and utilisation of electricity;

(l) to collect and publish data and forecasts on the demand for, and use of, electricity in the State and to require the licensees to collect and publish such data;

(m) to regulate the assets, properties and interest properties concerning or related to the electricity industry in the State including the conditions governing entry into, and exit, from the electricity industry in such manner as to safeguard the public interest;

(n) to adjudicate upon the disputes and differences between the licensees and utilities and to refer the matter for arbitration;

(o) to co-ordinate with environmental regulatory agencies and to evolve policies and procedures for appropriate environmental regulations of the electricity sector and utilities in the State; and

(p) to aid and advise the State Government on any other matter referred to the State Commission by such Government;

(3) The State Commission shall exercise its functions in conformity with the national power plan.

23. *Application of certain provisions relating to Central Commission to State Commissions.*— The provisions of sections 9, 10 and 12 shall apply to a State Commission and shall have effect, subject to the following modifications, namely:—

(a) references to “Central Commission” shall be construed as references to “State Commission”;

(b) in sub-section (3) of section 9, the words and brackets “(including the Member ex-officio)” shall be omitted.

24. *The State Advisory Committee.*— (1) The State Commission may, by notification, establish with effect from such date as it may specify in such notification, a Committee to be known as the State Advisory Committee.

(2) The State Advisory Committee shall consist of not more than twenty-one members to represent the interests of commerce, industry, transport, agriculture, labour, consumers, non-governmental organisations and academic and research bodies in the energy sector.

(3) The Chairperson and the Members of the State Commission shall be ex-officio Chairperson and ex-officio Members of the State Advisory Committee.

25. *Objects of the State Advisory Committee.*— The objects of the State Committee shall be to advise the Commission on —

(i) major questions of policy;

(ii) matters relating to quality, continuity and extent of service provided by the licensees;

(iii) compliance by licensees with the conditions and requirements of their license;

(iv) protection of consumer interest; and

(v) energy supply and overall standards of performance by utilities.

26. *Representation before the Commission.*— The State Commission shall authorise any person as it deems fit to represent the interest of the consumers in all the proceedings before it.

27. *Appeal to High Court in certain cases.*— (1) Any person aggrieved by any decision or order of the State Commission may file an appeal to the High Court.

(2) Except as aforesaid, no appeal or revision shall lie to any court from any decision or order of the State Commission.

(3) Every appeal under this section shall be preferred within sixty days from the date of communication of the decision or order of the State Commission to the person aggrieved by the said decision or order:

Provided that the High Court may entertain an appeal after the expiry of the said period of sixty days if it is satisfied that the aggrieved person had sufficient cause for not preferring the appeal within the said period of sixty days.

CHAPTER VI

Energy Tariff

28. *Tariff by Central Commission.*— The Central Commission shall determine by regulations the terms and conditions for fixation of tariff under clauses (a), (b) and (c) of section 13, and in doing so, shall be guided by the following, namely:—

(a) the generating companies and transmission entities shall adopt such principles in order that they may earn an adequate return and at the same time that they do not exploit their dominant position in the generation sale of electricity or in the inter state transmission of electricity;

(b) the factors which would encourage efficiency, economical use of the resources, good performance, optimum investments and other matters which the Central Commission considers appropriate;

(c) national power plans formulated by the Central Government; and

(d) financial principles and their applications as provided under Schedule VI to the Electricity (Supply) Act, 1948.—

29. *Tariff by State Commission.* — (1) Notwithstanding anything contained in any other law, the tariff for intra State transmission of electricity and the tariff for supply of electricity, grid, wholesale, bulk or retail, as the case may be, in a State (hereinafter referred to as the "tariff"), shall be subject to the provisions of this Ordinance and the tariff shall be determined by the State Commission of that State in accordance with the provisions of this Ordinance.

(2) The State Commission shall determine by regulations the terms and conditions for the fixation of tariff, and in doing so, shall be guided by the following, namely:—

(a) the principles and their applications provided in sections 46, 57 and 57A of the Electricity (Supply) Act, 1948 and the Sixth Schedule thereto; 54 of 1948.

(b) in the case of the Board or its successor entities, the principles under section 59 of the Electricity (Supply) Act, 1948;— 54 of 1948.

(c) that the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency;

(d) the factors which would encourage efficiency, economical use of the resources, good performance, optimum investments, and other matters which the State Commission considers appropriate for the purposes of this Ordinance;

(e) the interests of the consumers are safeguarded and at the same time, the consumers pay for the use of the electricity in a reasonable manner based on the average cost of supply of energy;

(f) the electricity generation, transmission, distribution and supply are conducted on commercial principles;

(g) national power plans formulated by the Central Government.

(3) No consumer or class of consumers shall be charged less than fifty per cent. of the average cost of supply of energy:

Provided that if the State Commission considers it necessary it may allow the consumers in the agricultural sector to be charged less than fifty per cent. subject to the condition that the charges less than the said fifty per cent. shall not be allowed after the expiry of a period of three years from the commencement of this Ordinance.

(4) If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under this section, the State Government shall pay the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licensee or any other person concerned to implement the subsidy provided for by the State Government.

(5) Subject to the provisions of sub-section (3), the State Commission, while determining the tariff under this Ordinance, shall not show undue preference to any consumer of electricity,

but may differentiate according to the consumer's load factor, power factor, total consumption of energy during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.

(6) The holder of each licence and other persons including the Board or its successor body authorised to transmit, sell, distribute or supply electricity wholesale, bulk or retail, in the State shall observe the methodologies and procedures specified by the State Commission from time to time in calculating the expected revenue from charges which he is permitted to recover and in determining tariff to collect those revenues.

30. *Reasons for deviation by the Commissions.*— Where the Commissions depart from factors specified in clauses (a) to (d) of section 28 and clauses (a) to (f) of sub-section (2) of section 29, they shall record the reasons for such departure in writing.

CHAPTER VII

Accounts, Audit and Report

31. *Budget of the Central Commission.*— The Central Commission shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Central Commission and forward the same to the Central Government.

32. *Accounts and audit of Central Commission.*— (1) The Central Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Central Commission shall be audited by the Comptroller and Auditor-General at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Central Commission to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General and any person appointed by him in connection with the audit of the accounts of the Central Commission under this Ordinance shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Central Commission.

(4) The accounts of the Central Commission, as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the Central Government by the Central Commission and the Central Government shall cause the audit report to be laid, as soon as may be after it is received, before each House of Parliament.

33. *Budget of the State Commission.*— The State Commissions shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the State Commission and forward the same to the State Government.

34. *Accounts and audit of the State Commission.*— (1) The State Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the State Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the State Commission shall be audited by the Comptroller and Auditor-General at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the State Commission to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General and any person appointed by him in connection with the audit of the accounts of the State Commission under this Ordinance shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the State Commission.

(4) The accounts of the State Commission, as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the State Government by the State Commission and the State Government shall cause the audit report to be laid, as soon as may be after it is received, before the State Legislature.

35. *Annual report of the Central Commission.*— (1) The Central Commission shall prepare once every year, in such form and at such time as may be prescribed, an annual report giving a summary of its activities during the previous year and copies of the report shall be forwarded to the Central Government.

(2) A copy of the report received under sub-section (1) shall be laid, as soon as may be after it is received, before each House of Parliament.

36. *Annual report of the State Commission.*— (1) The State Commission shall prepare once every year in such form and at such time as may be prescribed, an annual report giving a summary of its activities during the previous year and copies of the report shall be forwarded to the State Government.

(2) A copy of the report received under sub-section (1) be laid, as soon as may be after it is received, before the State Legislature.

CHAPTER VI

Miscellaneous

37. *Transparency in Commissions.*— The Commissions shall ensure transparency while exercising their powers and discharging their functions.

38. *Directions by the Central Government.*— The Central Commission may carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Ordinance.

39. *Directions by the Central Government.*— The State Commission may carry out such directions as may be issued to it from time to time by the State Government for the efficient administration of this Ordinance.

40. *Members, officers and employees of Central Commission to be public servants.*— The Chairperson, Members, officers and other employees of the Commissions shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Ordinance, to be public servants within the meaning of section 21 of the Indian Penal Code. 45 of 1860.

41. *Special provision relating to the Orissa Electricity Reform Act, 1995 and Haryana State Electricity Reforms Act, 1997.*— The provisions of this Ordinance in so far as they relate to the State Commission shall not apply to the Commissions established under the Orissa State Electricity Reform Act, 1995 or the Haryana State Electricity Reform Act, 1997.

42. *Proceeding before the Commission.*— All proceedings before the Commission shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Commission shall be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973. 45 of 1860. 2 of 1974.

43. *Protection of action taken in good faith.*— No suit, prosecution or other legal proceedings shall lie against the Central Government or the Central or State Commission or any officer of Central or State Government or any Members, officers or other employees of the Central or State Commission for anything which is in good faith done or intended to be done under this Ordinance or the rules or regulations made thereunder.

44. *Punishment for non-compliance of orders or directions under the Ordinance.*— Whoever fails to comply with any order or direction given under this Ordinance, within such time as may be specified in the said order or direction or contravenes, or attempts to contravene or abets the contravention of any of the provisions of this Ordinance or any rules or regulations made thereunder shall be punishable with imprisonment for a term which may extend to three months or with fine, which may extend to rupees one lakh or, with both in respect of each offence and in the case of a continuing failure, with an additional fine which may extend to rupees four thousand for every day during which the failure continues after conviction of the first such offence.

45. *Punishment for non-compliance of directions given by a Commission.*— (1) In case any complaint is filed before the Commission by any person or if the Commission is satisfied that the person has contravened any directions issued by the Commission under this Ordinance, rules or regulations made thereunder, the Commission may after giving such person an

opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Ordinance, such person shall pay, by way of penalty, which shall not exceed rupees one lakh for each contravention and in case of a continuing failure with an additional penalty which may extend to rupees six thousand for every day during which the failure continues after contravention for the first such direction.

(2) Any amount payable under this section, if not paid, may be recovered as if it were an area of land revenue.

46. *Power of seizure.*— The Commission or any other officer, not below the rank of a Gazetted Officer, specially authorised in this behalf by the Commission may enter any building or place where the Commission has reason to believe that any document relating to the subject matter of the enquiry may be found, and may seize any such document or take extracts or copies therefrom subject to the provisions of section 100 of the Code of Criminal Procedure, 1973, in so far as it may be applicable.— 2 of 1974.

47. *Offence by companies.*— (1) Where an offence under this Ordinance has been committed by a company, every person who at the time, the offence was committed was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Ordinance if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Ordinance has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Explanation.— For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director” in relation to a firm, means a partner in the firm.

48. *Cognizance of offences.*— No court shall take cognizance of an offence punishable under this Ordinance except upon a complaint, in writing, made by the Commission or by any other officer duly authorised by the Commission for this purpose.

49. *Inconsistency in laws.*— Nothing contained in this Ordinance or any rule or regulations made thereunder or any instrument having effect by virtue

of this Ordinance, rule or regulations shall have effect in so far as it is inconsistent with any other provisions of the Consumer Protection Act, 1986 or 68 of 1986, the Atomic Energy Act, 1962. 33 of 1962.

50. *Delegation.*— The Central or the State Commission may by general or special order in writing, delegate to any Members, officer of the Central or the State Commission or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Ordinance (except the power to settle disputes under Chapters III and V and the power to make regulations under sections 55 or 58) as it may deem necessary.

51. *Amendment of Act 54 of 1948.*— From such date as the Central Government may, by notification, in the Official Gazette appoint, sub-section (2) of section 43A of the Electricity (Supply) Act, 1948 54 of 1948, shall be omitted.

52. *Overriding effect.*— Save as otherwise provided in section 49, the provisions of this Ordinance shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Ordinance.

53. *Power to give directions* — (1) The Central Government may give directions to a State Government as to the carrying out into execution of this Ordinance in the State.

54. *Power of Central Government to make rules.* — (1) The Central Government may, by notification, make rules for carrying out the purposes of this Ordinance.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the salary and allowances payable to and the other conditions of service of the Chairperson and Members under sub-section (2) of section 6;

(b) the form, manner and the authority before whom oath of office and secrecy should be subscribed under sub-section (4) of section 6;

(c) the form in which and the time at which the Central Commission shall prepared its budget under section 31;

(d) the form in which annual statement of accounts to be prepared by the Central Commission under sub-section (1) of section 32;

(e) the form and time within which annual report should be filed under sub-section (1) of section 35;

(f) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

55. *Power of Central Commission to make regulations.*— (1) The Central Commission may by notification in the Official Gazette make regulations consistent with this Ordinance and the rules generally to carry out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power such regulations may provide for all or any of the following matters, namely:—

(a) the powers and duties of the Secretary under sub-section (1) of section 8;

(b) the salaries, allowances and other conditions of service of the Secretary, officers and other employees under sub-section (3) of section 8;

(c) the terms and conditions of the consultants appointed under sub-section (4) of section 8;

(d) the rules of procedure to be observed by the Central Commission under sub-section (1) of section 9;

(e) the manner in which charges for energy may be determined under section 28.

56. *Rules and regulations to be laid before Parliament.*— Every rule made by the Central Government and every regulation made by the Central Commission under this Ordinance shall be laid, as soon as may be it is made before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

57. *Power of State Government to make rules.*— (1) The State Government may by notification in the Official Gazette, make rules to carry out the provisions of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely:—

(a) the salary allowances and other conditions of service of the Members under sub-section (2) of 19;

(b) the form and manner in which and the authority before whom the oath of office and secrecy should be subscribed under sub-section (4) of section 19;

(c) the form in which annual statement of accounts to be prepared by the State Commission under sub-section (1) of section 34;

(d) the form in which and the time at which, the State Commission shall prepare its budget under section 33;

(e) the manner and the form in which annual report shall be furnished under sub-section (1) of section 35;

(f) any other matter which is to be, or may be prescribed or in respect of which provision is to be made by rules;

58. *Power of State Commission to make regulation.*— (1) The State Commission may, by notification in the Official Gazette make regulations consistent with this Ordinance and the rules made thereunder to carry out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power such regulations may provide for all or any of the following matters, namely:—

(a) the duties and powers of the Secretary under sub-section (1) of section 21;

(b) the salary, allowances and other conditions of service of the secretary, officers and other employees under sub-section (3) of section 21;

(c) the terms and conditions of consultants appointed under sub-section (4) of section 21;

(d) the manner in which charges for energy may be determined under sub-section (2) of section 29;

(e) any other matter which is to be, or may be specified.

59. *Rules and regulations to be laid before State Legislature.*— Every rule made by the State Government and every regulation made by the State Commission under this Ordinance shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.

60. *Power to remove difficulties.*— (1) If any difficulty arises in giving effect to the provisions of this Ordinance, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Ordinance as may appear to be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of two years from the date of commencement of this Ordinance.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

K.R.NARAYANAN,

President.

RAGHBIR SINGH,

Secy. to the Govt. of India.